Lephalale Local Municipality
Financial statements
for the year ended 30 June 2017
Auditor General of South Africa

General Information

Nature of business and principal activities	Local Municipality
Mayoral committee	
Executive Mayor	Hon MJ Maeko
Councillors	Cllr. KR Molokomme (Speaker)
	Cllr. SJ Thulare (Chief Whip)
	Cllr. WM Motlokwa (Executive Comm)
	Cllr. ML Shongwe (Executive Comm)
	Cllr. AE Basson (Executive Comm)
	Cllr. MM Semenya (Executive Comm)
	Cllr. MJ Marakalala
	Cllr NJ Motebele
	Cllr. LF Monare
	Cllr. LS Manamela
	Cllr. P Molekwa
	Cllr. ME Maisela
	Cllr. MJ Selokela
	Cllr. SM Niewoudt
	Cllr. RT Modise
	Cllr. R Maropeng
	Cllr. NH Pienaar
	Cllr. SL Seabi
	Cllr. KM Mogohloana
	Cllr. MM Makgae
	Cllr. MF Masita
	Cllr. MR Modiba
	Cllr. RM Mabasa
	Cllr. MM Madibana
	Cllr. SJ Moselane
	Clr. MR Boloka (Contract ended 10 August 2016)
	Clr. RM Moatshe (Contract ended 10 August 2016)
	Clr MJ Mojela (Contract ended 10 August 2016)
	Clr. JA Mogoasa (Contract ended 10 August 2016)
	Clr. SJ Pelotona (Contract ended 10 August 2016)
	Clr. MC Matshaba (Contract ended 10 August 2016)
	Clr. GB Koadi (Contract ended 10 August 2016)
	Clr. IF Magwai (Contract ended 10 August 2016)
	Clr. ME Dinale (Contract ended 10 August 2016)
	Clr. MP Ngwako (Contract ended 10 August 2016)
	Clr. SJ Monyemoratho (Contract ended 10 August 2016)
Grading of local authority	4
Accounting Officer	Edith Tukakgomo
Chief Finance Officer (CFO)	Sakkie Jooste
Registered office	Corner Joe Slovo Street & Douwater Avenue Onverwacht Lephalale 0557

General Information

Business address	Corner Joe Slovo Street & Douwater Avenue Onverwacht Lephalale 0557
Postal address	Private Bag X136 Onverwacht Lephalale 0557
Bankers	ABSA Bank
Preparer	The financial statements were internally compiled by: Sakkie Jooste, Maggie Ntwampe, Mabu Manaka, Malesela Langa Budget and Treasury Management
Published	31 August 2017

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The reports and statements set out below comprise the financial statements presented to the provincial legislature:

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality’s cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the Government for continued funding of operations. The financial statements are prepared on the basis that the municipality is a going concern and that the Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The financial statements set out on pages 7 to 70, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2017 and were signed on its behalf by:

Edith Tukakgomo
Accounting Officer

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2017.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 6 times per annum as per its approved terms of reference. During the current year x number of meetings were held.

Name of member	Number of meetings attended
Mphelo P (Chairperson)	6
Mbange B	6
Mogotsi I	6

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the municipality during the year under review.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management’s response thereto;
- reviewed changes in accounting policies and practices (delete if not applicable);
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Audit Committee Report

Date: ______________________________

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2017.

1. Review of activities

Main business and operations

The operating results for the year were satisfactory for the following reasons. The financial position of the municipality is [describe].

Net deficit of the municipality was 2 040 555 (2016: deficit 62 374 044), after taxation of - (2016: -).

2. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year 30 June 2017.

4. Accounting policies

The financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Corporate governance

General

The Council retains full control over the municipality, its plans and strategy. The council acknowledges its responsibility as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally by the municipality.

Remuneration

The remuneration of the Accounting Officer and Section 56 managers are determined by the Upper Limits for senior managers
.

Audit and risk committee

For the current financial year the chairperson of the risk committee was Mr Mogakuludi Sebeelo. The committee met 4 times during the financial year to review matters necessary to fulfil its role.
In terms of Section 166 of the Municipal Finance Management Act, Council, must appoint members of the Audit Committee. National Treasury policy requires that parent municipalities should appoint further members of the municipality's audit committees who are not directors of the municipal entity onto the audit committee.

Internal audit

The municipality has an indipendent internal audit unit. This is in compliance with the Municipal Finance Management Act, 2003.

6. Bankers

The municipality has its primary bank account with ABSA Bank Limited

7. Auditors

Auditor General of South Africa will continue in office for the next financial period.

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated*
Assets			
Current Assets			
Inventories	10	1 704 395	1 850 764
Consumer debtors from non-exchange transactions	11	39 449 794	33 822 093
Consumer debtors from exchange transactions	12	97 325 357	83 090 578
Debt Arrangements	7	8 159 594	18 735 731
Sundry deposits	8	11 542 976	11 542 976
Other receivables from non-exchange transactions	9	9 265 318	11 371 725
Cash and cash equivalents	13	1 134 344	33 479 422
		168 581 778	**193 893 289**
Non-Current Assets			
Property, plant and equipment	3	1 467 887 683	1 447 083 389
Intangible assets	4	498 413	622 442
Heritage assets	5	77 000	77 000
Investments	6	-	20 824
Debt Arrangements	7	668 132	796 500
		1 469 131 228	**1 448 600 155**
Total Assets		**1 637 713 006**	**1 642 493 444**
Liabilities			
Current Liabilities			
Loans	17	451 923	414 678
Finance lease obligation	15	5 575 134	10 199 831
Payables from exchange transactions	19	66 862 104	58 471 306
VAT payable	20	7 766 424	3 021 366
Consumer deposits	21	12 150 657	11 385 573
Unspent conditional grants and receipts	16	22 080 128	34 384 685
Defined benefit plan Obligations	18	2 076 074	1 813 213
		116 962 444	**119 690 652**
Non-Current Liabilities			
Loans	17	3 024 814	3 485 866
Finance lease obligation	15	78 483 301	86 350 285
Defined benefit plan Obligations	18	60 139 238	51 822 866
		141 647 353	**141 659 017**
Total Liabilities		**258 609 797**	**261 349 669**
Net Assets		**1 379 103 209**	**1 381 143 775**
Accumulated surplus	14	1 379 103 209	1 381 143 775

* See Note 46 & 45

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	241 221 976	206 480 606
Rental of facilities and equipment	24	190 609	221 070
Interest Earned - Outstanding Receivables		20 703 494	16 343 065
Licences and permits		7 528 013	7 472 066
Building fees		672 833	558 017
Other income		2 946 154	1 870 108
Interest Earned - External investments	26	2 666 437	3 630 755
Total revenue from exchange transactions		**275 929 516**	**236 575 687**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	27	51 179 909	46 594 873
Transfer revenue			
Government Grants and Subsidies	29	176 247 083	168 208 098
Public contributions and donations	30	40 138	150 793
Fines		1 549 676	882 441
Total revenue from non-exchange transactions		**229 016 806**	**215 836 205**
Total revenue	22	**504 946 322**	**452 411 892**
Expenditure			
Employee related costs	31	(159 938 634)	(149 879 218)
Remuneration of councillors	32	(8 895 631)	(8 922 605)
Depreciation and amortisation	33	(77 598 511)	(80 532 044)
Impairment loss/ Reversal of impairments	34	(102 688)	(5 850 254)
Finance costs	35	(17 136 823)	(17 453 378)
Debt Impairment	36	(8 181 541)	(9 396 911)
Collection costs		(4 163 492)	(6 174 190)
Repairs and maintenance		(23 534 994)	(21 466 624)
Bulk purchases	37	(124 079 138)	(128 171 993)
Contracted services	38	(16 811 084)	(24 556 033)
Transfers and Subsidies	28	(1 540 928)	(1 774 162)
General Expenses	39	(65 003 413)	(60 606 461)
Total expenditure		**(506 986 877)**	**(514 783 873)**
Operating deficit		**(2 040 555)**	**(62 371 981)**
(Loss) gain on Sale of assets	40	-	(2 063)
Deficit for the year		**(2 040 555)**	**(62 374 044)**

* See Note 46 & 45

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1 218 150 399	1 218 150 399
Adjustments		
Correction of errors	225 367 420	225 367 420
Balance at 01 July 2015 as restated*	**1 443 517 819**	**1 443 517 819**
Changes in net assets		
Surplus for the year	(62 374 044)	(62 374 044)
Total changes	(62 374 044)	(62 374 044)
Restated* Balance at 01 July 2016	**1 381 143 764**	**1 381 143 764**
Changes in net assets		
Deficit for the year	(2 040 555)	(2 040 555)
Total changes	(2 040 555)	(2 040 555)
Balance at 30 June 2017	**1 379 103 209**	**1 379 103 209**

Note(s)

* See Note 46 & 45

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
Cash flows from operating activities			
Receipts			
Taxation		49 248 429	46 083 506
Sale of goods and services		260 871 376	227 124 609
Grants		163 942 525	189 877 415
Interest income		2 666 437	3 630 755
Other receipts		2 946 154	1 870 108
		479 674 921	468 586 393
Payments			
Employee costs		(160 255 033)	(138 769 812)
Suppliers		(219 544 811)	(246 230 559)
Finance costs		(17 136 823)	(13 437 438)
Other payments		(1 540 928)	(1 774 162)
		(398 477 595)	(400 211 971)
Net cash flows from operating activities	41	**81 197 326**	**68 374 422**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(98 362 913)	(75 330 263)
Purchase of Intangible assets	4	-	(280 500)
Net cash flows from investing activities		**(98 362 913)**	**(75 610 763)**
Cash flows from financing activities			
Repayment of loans		(423 807)	(688 743)
Finance lease payments		(14 755 684)	(18 358 685)
Net cash flows from financing activities		**(15 179 491)**	**(19 047 428)**
Net increase/(decrease) in cash and cash equivalents		**(32 345 078)**	**(26 283 769)**
Cash and cash equivalents at the beginning of the year		33 479 422	59 763 191
Cash and cash equivalents at the end of the year	13	**1 134 344**	**33 479 422**

* See Note 46 & 45

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	209 707 000	24 633 000	**234 340 000**	241 221 976	**6 881 976**	
Rental of facilities and equipment	288 000	5 000	**293 000**	190 609	**(102 391)**	
Interest received (trading)	21 190 000	342 000	**21 532 000**	20 703 494	**(828 506)**	
Licences and permits	9 305 000	-	**9 305 000**	7 528 013	**(1 776 987)**	
Building Fees	799 500	-	**799 500**	672 833	**(126 667)**	
Other income	15 840 000	2 034 000	**17 874 000**	2 946 154	**(14 927 846)**	
Interest received - investment	4 247 000	-	**4 247 000**	2 666 437	**(1 580 563)**	
Total revenue from exchange transactions	**261 376 500**	**27 014 000**	**288 390 500**	**275 929 516**	**(12 460 984)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	48 780 000	-	**48 780 000**	51 179 909	**2 399 909**	
Transfer revenue						
Government grants & subsidies	161 709 000	21 823 000	**183 532 000**	176 247 083	**(7 284 917)**	
Public contributions and donations	533 000	-	**533 000**	40 138	**(492 862)**	
Fines, Penalties and Forfeits	370 000	(370 000)	**-**	1 549 676	**1 549 676**	
Total revenue from non-exchange transactions	**211 392 000**	**21 453 000**	**232 845 000**	**229 016 806**	**(3 828 194)**	
Total revenue	**472 768 500**	**48 467 000**	**521 235 500**	**504 946 322**	**(16 289 178)**	
Expenditure						
Personnel	(161 092 000)	4 670 000	**(156 422 000)**	(159 938 634)	**(3 516 634)**	
Remuneration of councillors	(8 554 000)	(385 000)	**(8 939 000)**	(8 895 631)	**43 369**	
Depreciation and amortisation	(68 954 000)	(4 000 000)	**(72 954 000)**	(77 598 511)	**(4 644 511)**	
Impairment loss/ Reversal of impairments	-	-	**-**	(102 688)	**(102 688)**	
Finance costs	(11 466 000)	-	**(11 466 000)**	(17 136 823)	**(5 670 823)**	
Debt Impairment	(1 650 000)	(5 000 000)	**(6 650 000)**	(8 181 541)	**(1 531 541)**	
Collection costs	(2 000 000)	(1 500 000)	**(3 500 000)**	(4 163 492)	**(663 492)**	
Repairs and maintenance	(21 254 000)	(3 857 000)	**(25 111 000)**	(23 534 994)	**1 576 006**	
Bulk purchases	(124 597 000)	(10 400 000)	**(134 997 000)**	(124 079 138)	**10 917 862**	
Contracted Services	(12 837 000)	1 245 000	**(11 592 000)**	(16 811 084)	**(5 219 084)**	
Transfers and Subsidies	(1 315 000)	-	**(1 315 000)**	(1 540 928)	**(225 928)**	
General Expenses	(51 859 000)	(7 986 000)	**(59 845 000)**	(65 003 413)	**(5 158 413)**	
Total expenditure	**(465 578 000)**	**(27 213 000)**	**(492 791 000)**	**(506 986 877)**	**(14 195 877)**	
Deficit before taxation	**7 190 500**	**21 254 000**	**28 444 500**	**(2 040 555)**	**(30 485 055)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**7 190 500**	**21 254 000**	**28 444 500**	**(2 040 555)**	**(30 485 055)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

The accounting policies on pages 14 to 45 and the notes on pages 46 to 70 form an integral part of the financial statements.

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Available-for-sale financial assets

The municipality follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If all of the declines in fair value below cost were considered significant or prolonged, the municipality would suffer an additional deficit of - in its 2017 financial statements, being a reclassification adjustment of the fair value adjustments previously recognised in other comprehensive income and accumulated in equity on the impaired available-for-sale financial assets to surplus or deficit.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated - lower or - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management’s estimates.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.3 Significant judgements and sources of estimation uncertainty (continued)

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note .

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

1.4 Property, plant and equipment (continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset’s carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset’s carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset’s carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset’s carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	25-30
• Mobile Homes		05-10
• Caravans		05-10
• Residence		25-30
Furniture and fixtures	Straight line	05-08
Motor vehicles	Straight line	05-08

1.4 Property, plant and equipment (continued)

Office equipment	Straight line	03-05
Computer software	Straight line	05-08
Other Buildings	Straight line	
• Library		25-30
Community	Straight line	
• Building		25-30
• Recreational Facility		25-30
• Halls		25-30
Other property, plant and equipment	Straight line	10-15
Park facilities	Straight line	25-30
Vehicles	Straight line	
• Specialised		10-15
Plant and Equipment	Straight line	
• Specialised		10-15
Roads	Straight line	
• Kerb and Channels		40-50
• Municipal Roads - Asphalt		10-20
• Gravel surface		03-10
Wastewater network	Straight line	
• Pumpstation		30-55
Water network	Straight line	
• Pumpstations		30-50
• Reservoirs		30-30
• Supply/Reticulation		20-50
Electricity	Straight line	
• Lines - Underground		25-45
• Lines - Overhead		20-30
• Substations - Switchgear		20-30
Pedestrian Footpaths	Straight line	
• Footpaths		15-30
• Street Lighting		25-40
• Traffic Lights		15-20

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset’s future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Accounting Policies

1.4 Property, plant and equipment (continued)

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.5 Intangible assets

An asset is identifiable if it either:
- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

1.5 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	5-8

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.6 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

1.6 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

1.7 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction.

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity’s net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Accounting Policies

1.7 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Accounting Policies

1.7 Financial instruments (continued)

Classification

The municipality classifies financial assets and financial liabilities into the following categories:
Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Class	Category
Loan1	Financial asset measured at amortised cost
Loan2	Financial asset measured at amortised cost
Loan3	Financial asset measured at amortised cost
Other receivables1	Financial asset measured at amortised cost
Other receivables2	Financial asset measured at amortised cost
Other financial asset1	Financial asset measured at fair value
Other financial asset2	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Loan1	Financial liability measured at amortised cost
Loan2	Financial liability measured at amortised cost
Loan3	Financial liability measured at amortised cost
Other receivables1	Financial liability measured at amortised cost
Other receivables2	Financial liability measured at amortised cost
Other financial liability1	Financial liability measured at fair value
Other financial liability2	Financial liability measured at fair value

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Residual interest1	Measured at fair value
Residual interest2	Measured at cost

Initial recognition

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

1.7 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method..

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading..

1.7 Financial instruments (continued)

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity..

1.8 Value Added Tax

Value Added Tax

The Municipality accounts for VAT on a payment basis as per Sec 15 of the VAT Act. Even though the Municipality has registered for VAT on payment basis to SARS, the annual financial statements have been prepared on an accrual basis of

accounting and as a result VAT is accounted for on accrual basis in the annual financial statements.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease (prime interest rate where the lease is not specific).

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

1.10 Inventories (continued)

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are those assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

1.11 Impairment of cash-generating assets (continued)

Basis for estimates of future cash flows

In measuring value in use the municipality:
- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:
- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset’s future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable, willing parties, less the costs of disposal.

1.12 Impairment of non-cash-generating assets (continued)

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
(a) the period of time over which an asset is expected to be used by the municipality; or
(b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish non-cash-generating assets from cash-generating assets are as follow:
[Specify criteria]

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

1.14 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.14 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.14 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

Accounting Policies

1.14 Employee benefits (continued)

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:
- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:
- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Accounting Policies

1.14 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:
- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.14 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:
- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:
- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.15 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 43.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:
- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:
- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.15 Provisions and contingencies (continued)

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:
- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.11 and 1.12.

If the related asset is measured using the revaluation model:
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:
- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

1.17 Revenue from exchange transactions (continued)

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

Government grants are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.18 Revenue from non-exchange transactions (continued)

Other grants and donations

Other grants and donations are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the municipality, and the costs can be measured reliably. The municipality applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the municipality. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:
- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.10, 1.11 and 1.12. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.22 Unauthorised expenditure

Unauthorised expenditure means:
- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity’s supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016-07-01 to 2016-06-30.

The budget for the economic entity includes all the entities approved budgets under its control.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

1.26 Related parties (continued)

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm’s length or not in the ordinary course of business are disclosed.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and Interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land	70 673 158	-	70 673 158	69 572 003	-	69 572 003
Buildings	25 271 508	(13 388 663)	11 882 845	25 271 508	(12 687 434)	12 584 074
Infrastructure	1 662 129 166	(526 547 913)	1 135 581 253	1 632 800 293	(459 084 736)	1 173 715 557
Community	67 281 489	(14 852 989)	52 428 500	60 743 276	(12 623 182)	48 120 094
Other property, plant and equipment	78 922 933	(43 920 801)	35 002 132	78 263 442	(37 682 415)	40 581 027
Work in progress	141 431 741	-	141 431 741	80 939 986	-	80 939 986
Other leased Assets - Smart Meters	23 719 225	(2 831 171)	20 888 054	23 457 247	(1 886 599)	21 570 648
Total	**2 069 429 220**	**(601 541 537)**	**1 467 887 683**	**1 971 047 755**	**(523 964 366)**	**1 447 083 389**

Figures in Rand	2017	2016

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	69 572 003	1 101 155	-	-	-	-	70 673 15
Buildings	12 584 074	-	-	-	(701 229)	-	11 882 84
Infrastructure	1 173 715 557	1 710 085	27 618 826	-	(67 369 307)	(93 908)	1 135 581 25
Community	48 120 094	749 022	5 770 600	-	(2 211 216)	-	52 428 50
Other property, plant and equipment	40 581 027	659 492	-	-	(6 229 607)	(8 780)	35 002 13
Work in Progress	80 939 986	93 881 181	-	(33 389 426)	-	-	141 431 74
Other Finance leased (smart metres)	21 570 648	261 978	-	-	(944 572)	-	20 888 05
	1 447 083 389	**98 362 913**	**33 389 426**	**(33 389 426)**	**(77 455 931)**	**(102 688)**	**1 467 887 68**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	69 572 003	-	-	-	-	-	69 572 00
Buildings	13 544 888	-	-	-	(887 382)	(73 432)	12 584 07
Infrastructure	1 210 197 388	-	39 230 197	-	(69 985 843)	(5 726 185)	1 173 715 55
Community	47 185 221	-	3 264 419	-	(2 309 904)	(19 642)	48 120 09
Other property, plant and equipment	45 069 719	1 822 903	-	-	(6 297 790)	(13 805)	40 581 02
Work in progress	48 980 421	73 608 150	-	(41 648 585)	-	-	80 939 98
Other leased Assets - Smart Meters	20 605 107	1 887 435	-	-	(921 894)	-	21 570 64
	1 455 154 747	**77 318 488**	**42 494 616**	**(41 648 585)**	**(80 402 813)**	**(5 833 064)**	**1 447 083 38**

Reconciliation of Work-in-Progress 2017

Reconciliation of Work-in-Progress 2016

	Included within Infrastructure	Included within Community	Total
Opening balance	110 208 064	1 376 851	111 584 915
Additions/capital expenditure	29 972 776	4 240 887	34 213 663
	140 180 840	**5 617 738**	**145 798 578**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

4. Intangible assets

	2017			2016		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software	1 025 018	(526 605)	498 413	1 025 018	(402 576)	622 442

Notes to the Financial Statements

Figures in Rand	2017	2016

4. Intangible assets (continued)

Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Computer Software	622 442	(124 029)	498 413

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer Software	488 220	280 500	(146 278)	622 442

5. Heritage assets

	2017			2016		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Mayoral Chain	77 000	-	77 000	77 000	-	77 000

6. Investments

	2017	2016
Residual interest at cost		
Listed shares	-	20 824
Terms and conditions		
Non-current assets		
Residual interest at cost	-	20 824

7. Debt Arrangements

	2017	2016
Debt Arrangements	8 827 726	19 532 231
Short-term Portion	(8 159 594)	(18 735 731)
Long-term Portion	**668 132**	**796 500**

8. Sundry Deposits

	2017	2016
Deposit paid to Eskom	11 542 976	11 542 976

Deposits paid to Eskom for the main account.

9. Other receivables from non-exchange transactions

	2017	2016
Traffic fines	2 386 986	1 411 565
Other receivables	8 084 680	10 721 417
Less impairment-Traffic fines	(1 551 541)	(761 257)
	8 920 125	**11 371 725**

Notes to the Financial Statements

Figures in Rand	2017	2016

10. Inventories

Consumable stores	428 779	439 860
Maintenance materials	800 162	918 354
Spare parts	458 427	475 523
Water	17 027	17 027
	1 704 395	**1 850 764**

11. Consumer debtors from non-exchange transactions

Gross balance	57 987 059	50 078 305
Less: Allowance for Impairment	(18 537 265)	(16 256 212)
	39 449 794	**33 822 093**

Consumer debtors from non-exchange transactions - Age analysis

Rates		
Current (0 -30 days)	8 029 952	6 453 454
31 - 60 days	2 126 057	1 720 097
61 - 90 days	1 565 914	1 272 242
91 - 120 days	1 431 694	1 203 608
121 - 365 days	5 221 900	4 711 548
> 365 days	21 074 277	18 461 144
	39 449 794	**33 822 093**

Summary of debtors by Customer Classification

Consumers		
Current (0 -30 days)	10 424 810	8 278 645
31 - 60 days	2 270 758	1 788 106
61 - 90 days	1 460 580	1 142 797
91 - 120 days	1 431 508	1 197 785
121 - 365 days	5 122 916	4 493 469
> 365 days	13 676 122	12 860 266
Less: Allowance for Impairment	(14 273 694)	(12 517 283)
	20 113 000	**17 243 785**

Industrial/Commercial/Agricultural		
Current (0 -30 days)	2 234 613	1 948 052
31 - 60 days	918 638	800 831
61 - 90 days	830 059	723 615
91 - 120 days	686 649	598 595
121 - 365 days	2 529 638	2 205 243
> 365 days	15 806 993	12 531 831
Less: Allowance for Impairment	(4 263 570)	(3 738 928)
	18 743 020	**15 069 239**

National and Provincial Departments		
Current (0 -30 days)	111 917	95 951
31 - 60 days	49 482	42 423
61 - 90 days	35 377	30 330
91 - 120 days	34 995	30 003
121 - 365 days	164 625	341 141
> 365 days	197 375	969 218
	593 771	**1 509 066**

Notes to the Financial Statements

Figures in Rand	2017	2016

12. Consumer debtors from exchange transactions

Gross balances		
Electricity	65 050 814	62 837 507
Water	42 988 430	34 935 378
Sewerage	23 428 597	19 641 108
Refuse	22 173 760	16 882 625
	153 641 601	**134 296 618**

Less: Allowance for impairment		
Electricity	(29 542 651)	(28 428 036)
Water	(13 287 949)	(11 074 601)
Sewerage	(7 809 974)	(6 137 537)
Refuse	(5 675 670)	(5 565 866)
	(56 316 244)	**(51 206 040)**

Net balance		
Electricity	35 508 163	34 409 471
Water	29 700 481	23 860 777
Sewerage	15 618 623	13 503 571
Refuse	16 498 090	11 316 759
	97 325 357	**83 090 578**

Consumer debtors from exchange transactions - Age analysis

Electricity		
Current (0 -30 days)	12 324 481	14 520 408
31 - 60 days	5 863 877	5 589 952
61 - 90 days	3 966 678	3 878 214
91 - 120 days	2 573 240	1 407 470
121 - 365 days	8 135 556	6 710 841
> 365 days	2 644 331	2 302 586
	35 508 163	**34 409 471**

Water		
Current (0 -30 days)	7 621 445	6 462 262
31 - 60 days	2 127 921	1 830 440
61 - 90 days	1 317 379	1 322 005
91 - 120 days	1 132 336	1 070 514
121 - 365 days	7 218 781	4 768 915
> 365 days	10 282 619	8 406 641
	29 700 481	**23 860 777**

Sewerage		
Current (0 -30 days)	1 580 122	1 036 929
31 - 60 days	844 601	696 051
61 - 90 days	609 977	512 416
91 - 120 days	553 014	460 240
121 - 365 days	2 846 413	2 056 947
> 365 days	9 184 496	8 740 988
	15 618 623	**13 503 571**

Notes to the Financial Statements

Figures in Rand	2017	2016

12. Consumer debtors from exchange transactions (continued)

Refuse		
Current (0 -30 days)	7 209 070	5 965 083
31 - 60 days	771 812	287 717
61 - 90 days	574 203	150 424
91 - 120 days	528 750	262 399
121 - 365 days	1 559 165	1 016 339
> 365 days	5 855 090	3 634 797
	16 498 090	**11 316 759**

Figures in Rand	2017	2016

12. Consumer debtors from exchange transactions (continued)

Summary of debtors by customer classification

Consumers		
Current (0 -30 days)	18 691 233	20 002 911
31 - 60 days	8 314 222	8 230 962
61 - 90 days	5 799 304	5 929 869
91 - 120 days	8 542 492	8 643 073
121 - 365 days	19 751 030	15 966 237
> 365 days	41 449 889	31 834 514
	102 548 170	90 607 566
Less: Allowance for impairment	(43 405 316)	(39 466 330)
	59 142 854	**51 141 236**

Industrial/ Commercial and Farms		
Current (0 -30 days)	4 737 637	3 362 992
31 - 60 days	1 947 610	1 227 205
61 - 90 days	1 759 822	1 394 464
91 - 120 days	1 455 776	1 166 476
121 - 365 days	5 363 123	5 005 867
> 365 days	33 512 641	25 147 569
	48 776 609	37 304 573
Less: Allowance for impairment	(12 910 929)	(11 739 710)
	35 865 680	**25 564 863**

National and provincial government		
Current (0 -30 days)	766 831	749 569
31 - 60 days	98 941	397 539
61 - 90 days	79 213	277 532
91 - 120 days	69 002	339 671
121 - 365 days	589 387	3 341 261
> 365 days	713 450	1 278 901
	2 316 824	**6 384 473**

Total		
Current (0 -30 days)	25 163 854	24 882 885
31 - 60 days	10 474 567	9 940 222
61 - 90 days	7 662 627	7 614 876
91 - 120 days	10 115 983	10 193 495
121 - 365 days	25 845 076	24 377 119
> 365 days	74 379 494	57 288 021
	153 641 601	134 296 618
Less: Allowance for impairment	(56 316 244)	(51 206 040)
	97 325 357	**83 090 578**

Less: Allowance for impairment		
31 - 60 days	(2 866 356)	(1 536 063)
61 - 90 days	(3 194 390)	(1 751 818)
91 - 120 days	(2 328 643)	(1 689 492)
121 - 365 days	(1 085 161)	(976 049)
> 365 days	(46 841 694)	(45 252 618)
	(56 316 244)	**(51 206 040)**

Notes to the Financial Statements

Figures in Rand	2017	2016

12. Consumer debtors from exchange transactions (continued)

Total debtor past due but not impaired

31 - 60 days	11 352 028	10 124 257
61 - 90 days	8 245 601	7 135 301
91 - 120 days	10 884 855	9 707 611
121 - 365 days	15 654 298	13 961 218
> 365 days	46 339 468	41 546 155
	92 476 250	**82 474 542**

Reconciliation of allowance for impairment

Balance at beginning of the year	(51 206 040)	(46 769 288)
Contributions to allowance	(5 110 204)	(4 436 752)
	(56 316 244)	**(51 206 040)**

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17 000	16 750
Bank balances	-	33 462 672
Short-term deposits	1 117 344	-
	1 134 344	**33 479 422**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Investments	6 343 548	36 334 802
Cash and Cash equivalants	4 938 743	13 798 136
Cash on Hand	17 000	16 750
	11 299 291	**50 149 688**

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
ABSA BANK - Lephalale Branch - Current Account - 1470000038	4 938 743	13 798 136	54 817 819	1 105 973	(2 872 130)	35 538 112
ABSA BANK - Lephalale Branch Call account 4072894439	27 939	30 033 452	17 647 198	27 939	30 033 452	17 647 198
ABSA BANK - Lephalale Branch Call Account 9296917939	15 209	950	260 731	15 209	950	260 731
ABSA BANK - Lephalale Branch - Fixed Deposit 2069158294	6 300 400	6 300 400	6 300 400	6 300 400	6 300 400	6 300 400
Total	**11 282 291**	**50 132 938**	**79 026 148**	**7 449 521**	**33 462 672**	**59 746 441**

14. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2017

Ring-fenced internal funds and reserves within accumulated surplus - 2016

Notes to the Financial Statements

Figures in Rand	2017	2016

15. Finance lease obligation

Minimum lease payments due		
- within one year	16 093 333	14 910 084
- in second to fifth year inclusive	59 640 336	74 550 420
- later than five years	73 307 913	73 307 913
	149 041 582	162 768 417
less: future finance charges	(64 983 147)	(76 034 040)
Present value of minimum lease payments	**84 058 435**	**86 734 377**

Present value of minimum lease payments due		
- within one year	5 575 133	3 859 192
- in second to fifth year inclusive	24 525 900	21 551 143
- later than five years	53 957 401	61 324 042
	84 058 434	**86 734 377**

Non-current liabilities	78 483 301	86 350 285
Current liabilities	5 575 134	10 199 831
	84 058 435	**96 550 116**

Finance lease payments represents capital redemption payable by the Municipality for Zeeland water treatment works. The Municipality entered into a contract with Exxaro for the construction of the plant on loan basis which is repayable over 15 years at a fixed interest rate of 13%

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
EXXARO	657 896	657 896
FMG	(1)	(1)
Municipal Infrustructure Grant	-	18 341 166
Municipal System Improvement Grant	-	44 546
Expanded Public Works Programme	1	1
Department of water affairs	19 854 919	14 104 983
Department of local government and housing	1 207 776	1 207 776
Local Economic Development Projects	28 319	28 319
Electrification Grants	331 218	(1)
	22 080 128	**34 384 685**

Movement during the year

Balance at the beginning of the year	34 384 685	9 020 407
Additions during the year	77 380 000	102 467 000
Income recognition during the year	(89 684 557)	(77 102 722)
	22 080 128	**34 384 685**

See note for reconciliation of grants from National/Provincial Government.

Figures in Rand	2017	2016

17. Loans

At amortised cost		
DBSA Loan	3 476 737	3 900 544
Terms and conditions		

DBSA at amortised cost. The interest rate of 8.83% and quartely repayment. Settlement date 30 June 2024

Non-current liabilities		
At amortised cost	3 024 814	3 485 866
Current liabilities		
At amortised cost	451 923	414 678

18. Defined benefit plan Obligations

Non-current liabilities	60 139 238	51 822 866
Current liabilities	2 076 074	1 813 213
	62 215 312	**53 636 079**

Defined benefits plan		
Liability as at 1 July	45 966 739	38 102 573
Benefits paid	(1 156 414)	(1 020 672)
Current services cost	2 862 898	2 310 016
Interest	4 470 770	3 382 420
Actuarial lisses recognised in statement of financial performance	251 457	3 192 402
	52 395 450	**45 966 739**

Retirement benefit information		
Liability as at 1 July	7 669 340	6 702 028
Benefits paid	(656 799)	(1 001 302)
Current services cost	801 275	811 383
Interest	612 969	501 329
Actuarial lisses recognised in statement of financial performance	1 393 077	655 902
	9 819 862	**7 669 340**

The employees have the option to belong to a Medical Aid. The Municipality has taken a decision to contribute to medical aid of employees after retirement until their death. Non - medical - Employees retiring will receive R1090.00 a month as contribution to their health.

Principal actuarial assumptions of valuation model used		
Discount rate	8.89	8.35
Health care cost inflation rate	5.68	6.04

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19. Payables from exchange transactions

Trade Creditors	21 329 063	16 439 743
Payments received in advanced	12 864 482	14 263 324
Retentions	15 553 543	11 801 573
Accrued leave	11 444 059	10 436 426
Accrued bonus	3 201 713	3 135 919
Other payables	2 469 244	2 394 321
	66 862 104	**58 471 306**

Notes to the Financial Statements

Figures in Rand	2017	2016

19. Payables from exchange transactions (continued)

The fair value of trade and other payables approximates their carrying amounts.
Annual bonuses are paid one year in arrear as the employee complete a full year service. Annual bonuses accrue on monthly basis as the employee continues in employment.
The provision for the bonus is calculated using the basic salary of the employee as at year end and the number of months the bonus accrued since last bonus payment or from employment date for new employee.

20. VAT payable

VAT refunds payables	7 766 424	3 021 366

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

21. Consumer deposits

Water and Electricity	10 478 979	9 797 361
Other deposits	1 671 678	1 588 212
	12 150 657	**11 385 573**

22. Revenue

Service charges	241 221 976	206 480 606
Rental of facilities and equipment	190 609	221 070
Interest Earned - Outstanding Debtors	20 703 494	16 343 065
Licences and permits	7 528 013	7 472 066
Building Fees	672 833	558 017
Other Income	2 946 154	1 870 108
Interest Earned - External Investment	2 666 437	3 630 755
Property Rates	51 179 909	46 594 873
Government Grants & Subsidies	176 247 083	168 208 098
Public Contributions and Donations	40 138	150 793
Fines, Penalties and Forfeits	1 549 676	882 441
	504 946 322	**452 411 892**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	241 221 976	206 480 606
Rental of facilities and equipment	190 609	221 070
Interest Earned - Outstanding Debtors	20 703 494	16 343 065
Licences and permits	7 528 013	7 472 066
Building Fees	672 833	558 017
Other income	2 946 154	1 870 108
Interest Earned - External Investment	2 666 437	3 630 755
	275 929 516	**236 575 687**

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	51 179 909	46 594 873
Transfer revenue		
Government grants & subsidies	176 247 083	168 208 098
Public contributions and donations	40 138	150 793
Fines, Penalties and Forfeits	1 549 676	882 441
	229 016 806	**215 836 205**

Notes to the Financial Statements

Figures in Rand	2017	2016

23. Service charges

Sale of electricity	177 227 524	148 528 918
Sale of water	36 033 601	32 484 044
Sewerage and sanitation charges	15 826 431	14 731 356
Refuse removal	12 134 420	10 736 288
	241 221 976	**206 480 606**

24. Rental of facilities and equipment

Facilities and equipment		
Rental of facilities and equipments	190 609	221 070

25. Other revenue

Building Fees	672 833	558 017
Other income	2 946 154	1 870 108
	3 618 987	**2 428 125**

26. Investment revenue

Interest revenue		
Bank	2 666 437	3 630 755

27. Property rates

Rates received

Property rates	51 179 909	46 594 873

Valuations

Residential	4 181 129 000	4 167 059 000
Commercial	1 032 555 000	938 115 000
State	39 210 000	38 910 000
Municipal	574 744 000	567 160 000
Agricultural	9 040 918 000	9 003 293 000
Sectional Title	989 961 000	985 311 000
Exempted	388 355 000	384 116 000
Other	14 410 000	14 410 000
	16 261 282 000	**16 098 374 000**

Valuations on land and buildings are performed every four years. The last general valuation came into effect on 1 July 2013. Interim valuations are processed on a monthlyl basis to take into account changes in individual property values due to alterations and subdivisions. The previous valuation roll was extended by the MEC as per MPRA.
A different rate is applied to property valuations to determine assessment rates. Rebates of R 30 000 is granted to each residential property owners. Rates are levied on an annual basis on property owners.
Rates are levied on an annual basis with the final date for payment being 30 June of each financial year. Interest at 18% per annum is levied on annual rates one month after the due date for payment.

28. Grants and subsidies paid

Other subsidies		
Grants and subsidies paid	1 540 928	1 774 162

Figures in Rand	2017	2016

29. Government grants and subsidies

Operating grants		
Equitable share	94 514 002	87 410 415
Municipal Infrastructure Grant	54 074 166	53 408 835
Department of Water and Forestry	14 920 063	19 885 489
Expanded Public Works Programme	1 215 000	1 187 000
Municipal System Infrastructure Grant	44 546	886 233
Financial Management Grant	1 625 000	1 599 999
Local Government SETA	150 588	203 827
Waterberg District Municipality	3 034 936	3 599 134
Work Intergrated Leanership	-	27 166
Electrification Grants	6 668 782	-
	176 247 083	**168 208 098**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	102 467 000	102 467 000
Unconditional grants received	94 514 000	87 410 415
	196 981 000	**189 877 415**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of 6kl of water and 50KWH of electricity which is funded from the grant..

EXXARO

Balance unspent at beginning of year	657 896	657 896

Conditions still to be met - remain liabilities (see note 16).

The grant was received from EXXARO assisting municipality to build hawkers stalls.

Finance Management Grant

Current-year receipts	1 625 000	1 600 000
Conditions met - transferred to revenue	(1 625 000)	(1 600 000)
	-	**-**

Conditions has been met.

This grant is used to promote and support reforms to Municipal Finance Management and implementation of the MFMA, 2003

Expanded Public Works Programme

Balance unspent at beginning of year	(1)	(1)
Current-year receipts	1 215 000	1 187 000
Conditions met - transferred to revenue	(1 215 000)	(1 187 000)
	(1)	**(1)**

Conditions has been met .

Municipal Infrastructure Grant

Figures in Rand	2017	2016

29. Government grants and subsidies (continued)

Balance unspent at beginning of year	18 341 166	-
Current-year receipts	36 355 000	71 750 000
Conditions met - transferred to revenue	(54 696 166)	(53 408 834)
	-	**18 341 166**

Conditions has been met.

Municipal System Infrastructure Grant

Balance unspent at beginning of year	44 546	108 779
Current-year receipts	-	930 000
Conditions met - transferred to revenue	(44 546)	(886 233)
Other	-	(108 000)
	-	**44 546**

Conditions has been met .

Work Intergrated Learnership

Balance unspent at beginning of year	-	27 165
Conditions met - transferred to revenue	-	(27 165)
	-	**-**

Conditions has been met.

Department of Water Affairs

Balance unspent at beginning of year	14 104 983	6 990 473
Current-year receipts	21 000 000	27 000 000
Conditions met - transferred to revenue	(15 250 064)	(19 885 490)
	19 854 919	**14 104 983**

Conditions still to be met - remain liabilities (see note 16).

This Grant is used to fund Municipal infrastructure water Projects

Department of local government and housing

Balance unspent at beginning of year	1 207 776	1 207 776

Conditions still to be met - remain liabilities (see note 16).

Local Economic Development Projects

Balance unspent at beginning of year	28 319	28 319

Conditions still to be met - remain liabilities (see note 16).

Electrification Grant

Balance unspent at beginning of year	(1)	(1)
Current-year receipts	7 000 000	4 000 000
Conditions met - transferred to revenue	(6 668 781)	(4 000 000)

Notes to the Financial Statements

Figures in Rand	2017	2016

29. Government grants and subsidies (continued)

	331 218	**(1)**

Conditions still to be met - remain liabilities (see note 16).

This Grant is used for electrification projects to provide basic services for the benefits of poor household

30. Public contributions and donations

Public contributions - Unconditional	40 138	150 793

Notes to the Financial Statements

Figures in Rand	2017	2016

31. Employee related costs

Basic	88 009 994	83 034 063
Bonus	7 158 544	7 144 103
Medical aid - company contributions	7 120 186	6 123 742
UIF	780 669	731 258
Leave pay provision charge	5 579 478	4 422 724
Defined contribution plans	19 256 679	18 001 997
Travel, motor car, accommodation, subsistence and other allowances	9 206 468	8 968 875
Overtime payments	10 132 780	10 180 079
Standby Allowances	1 395 987	1 059 781
Housing benefits and allowances	967 786	917 690
Phone Allowances	1 080 761	1 057 201
Staff uniform	2 631 109	2 556 875
	153 320 441	**144 198 388**

Remuneration of Municipal Manager

Annual Remuneration	1 032 092	709 808
Car Allowance	153 474	58 419
Bonuses	92 989	-
Contributions to UIF, Medical and Pension Funds	243 595	164 445
Leave	12 161	224 350
	1 534 311	**1 157 022**

Mrs EM Tukakgomo is appointed as the Municipal Manager

Remuneration of Chief Finance Officer

Annual Remuneration	-	525 290
Car Allowance	-	100 474
Performance Bonuses	-	45 149
Contributions to UIF, Medical and Pension Funds	-	150 050
Leave	-	(23 229)
Acting Allowance	172 498	-
	172 498	**797 734**

Mr CJ Jooste was acting as Chief Financial Officer

Strategic Manager & Manager in Office of the Mayor

Annual Remuneration	40 816	446 126
Car Allowance	15 945	79 771
Performance Bonuses	18 600	15 625
Contributions to UIF, Medical and Pension Funds	8 837	54 759
Leave	33 614	17 983
Other	(1 040)	-
	116 772	**614 264**

Dr. Ndebele was appointed in this position until 3 August 2016

Executive Manager Development Planning

Annual Remuneration	581 127	305 713
Car Allowance	155 400	29 594
Bonuses	77 676	66 658

Notes to the Financial Statements

Figures in Rand	2017	2016

31. Employee related costs (continued)

Contributions to UIF, Medical and Pension Funds	148 623	68 197
Leave	10 853	42 382
	973 679	**512 544**

Miss BC Radipabe was appointed as Executive Manager Development Planning

Executive Manager Corporate Services

Annual Remuneration	703 167	63 916
Car Allowance	161 774	16 025
Performance Bonuses	74 873	-
Contributions to UIF, Medical and Pension Funds	202 643	15 564
Leave	43 924	108 224
	1 186 381	**203 729**

Mr M G Makgamatha was appointed as Executive Manager Corpoate Support Services.

Executive Manager Social Services

Annual Remuneration	781 421	726 088
Car Allowance	229 582	229 818
Performance Bonuses	136 471	109 371
Contributions to UIF, Medical and Pension Funds	185 914	177 635
leave	43 816	22 812
	1 377 204	**1 265 724**

Mr L S Thobane is appointed as Executive Manager Social Services.

Executive Manager Infrastructure

Annual Remuneration	734 921	674 831
Car Allowance	121 285	118 601
Performance Bonuses	122 981	113 839
Contributions to UIF, Medical and Pension Funds	187 453	179 360
Leave	90 708	43 182
	1 257 348	**1 129 813**

Mr K L Tlhako is appointed as Executive Manager Infrastructure Services.

32. Remuneration of Councillors

Renumeration of Councillors	8 895 631	8 922 605

The Executive Mayor, Speaker, Chief Whip and one Executive Committee Memebrs are full - time. Each is provided with an office and secretarial support at the cost of the council. The Mayor has use of Council owned vehicle for official duties and has a driver.

33. Depreciation and amortisation

Property, plant and equipment	77 598 511	80 532 044

Notes to the Financial Statements

Figures in Rand	2017	2016

34. Impairment of assets

Impairments		
Property, plant and equipment	102 688	5 850 254
The main classes of assets affected by impairment losses are:		
- Community assets		
- Other assets		
- Infrastructure assets		
The main events and circumstances that led to the recognition of these impairment losses are as follows (2016):		
- Vandalisation of Marapong Library.		
- Burning of Marapong satelite office.		
- Replacement of electricity meters with smart meters.		

The main classes of assets affected by impairment losses are:

-Community assets

-Other Assets

-Infrastructure assets

The main events and circumstances that led to the recognition of these impairment losses are as follows:

35. Finance costs

Interest on external borrowings	17 136 823	17 453 378

36. Debt impairment

Debt impairment	8 181 541	9 396 911

37. Bulk purchases

Electricity	114 303 737	117 661 162
Water	9 775 401	10 510 831
	124 079 138	**128 171 993**

The Municipality is purchasing Bulk Water from EXXARO and ESKOM and Bulk Electricity from Eskom

38. Contracted services

Other Contractors	16 811 084	24 556 033

Figures in Rand	2017	2016

39. General expenses

Advertising	256 993	505 940
Bank charges	1 696 823	1 223 246
Cleaning	352 831	331 600
Consumables	5 492 072	1 379 717
Entertainment	476 120	558 479
Conferences and seminars	158 572	127 211
Levies	1 655 040	1 559 150
Motor vehicle expenses	32 996	-
Fuel and oil	4 077 036	4 358 628
Postage and courier	518 966	392 519
Printing and stationery	1 281 115	1 359 676
Telephone and fax	1 711 720	1 910 097
Training	1 808 337	2 029 150
Travel - local	5 576 633	5 170 632
Skills Development Levie	1 390 597	1 271 228
Post Employement Medical Benefit	4 630 008	6 046 368
Municipal Consumption	431 622	380 901
Rental Of Office Equipment	458 844	306 384
Other expenses	32 997 088	31 695 535
	65 003 413	**60 606 461**

40. Gains /(loss) on Sale or Donated Assets

Gain or loss on sale of asset	-	(2 063)

41. Cash generated from operations

Deficit	(2 040 555)	(62 374 044)
Adjustments for:		
Depreciation and amortisation	77 598 511	80 532 044
Gain on sale of assets and liabilities	-	2 063
Impairment deficit	102 688	5 850 254
Debt impairment	8 181 541	9 396 911
Movements in provisions	8 579 233	8 457 954
Changes in working capital:		
Inventories	146 369	168 369
Consumer debtors	(9 445 549)	(3 950 215)
Other receivables from non-exchange transactions	(3 521 294)	(2 934 841)
Payables from exchange transactions	8 390 798	11 281 166
VAT	4 745 058	(3 953 132)
Unspent conditional grants and receipts	(12 304 558)	25 364 278
Consumer deposits	765 084	533 615
	81 197 326	**68 374 422**

Notes to the Financial Statements

Figures in Rand	2017	2016

42. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Infrastructure	71 950 023	76 087 493
• Community	3 401 631	12 292 299
• Other	5 505 467	3 710 599
	80 857 121	**92 090 391**

Not yet contracted for and authorised by accounting officer		
• Infrastructure	8 593 640	15 377 729
• Community	5 368 590	10 231 799
• Other	359 446	7 141 907
	14 321 676	**32 751 435**

Total capital commitments		
Already contracted for but not provided for	80 857 121	92 090 391
Not yet contracted for and authorised by accounting officer	14 321 676	32 751 435
	95 178 797	**124 841 826**

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Figures in Rand	2017	2016

43. Contingencies

CONTIGENT LIABILITIES
The Legal Claims listed are those that have arisen in the normal course of business and represent the possible amounts that could be awarded should the claims prove successful. The amounts have been based on the attorney's best estimates of the possible amount payable .Amount have not been provided in certain cases as the court has not yet determined a value. The claims are divided in the under mentioned groups ..

1. K P PAUL AND E PAUL
K P Paul and E Paul are suing the municipality for damages of R228 000.They claim they suffered loss due to the Municipality not supply them with electricity due to infrastructure capacity constraints.The matter is set for hearing on 24 April 2012.The matter has been posponed indefinetely to allow the Attorneys of Council to amend its plea as new facts arose after the plea was filed. The estimated legal cost and disbursment is R324 449.15.

2. RHINE VHANE CIVIL CONSTRUCTION CC & JOHAN FERDINARD BARNARD
The municipality sold stands in Extension 50 for R1.00 per square meter around 2005, then Council realised that there were some procedural flaws when the stands were sold and decided not to proceed with the sale. One of the purchaser Nightfire Investments challenged the council decision and took council to court. The court declared the agreement null and void and the land reverted back to council.
Rhine Vhane Civil Construction as one of the purchasers which developed in the area are claiming R11 137 673,74 as unjust enrichment. The matter is at pleading stage and the parties are currently negotiating settlement. Legal costs are estimated at R300 000

3. JOHAN FERDINARD BARNARD
The municipality sold stands in Extension 50 for R1.00 per square meter around 2005, then Council realised that there were some procedural flaws when the stands were sold and decided not to proceed with the sale. One of the purchasers Nightfire Investments challenged the council decision and took council to court. The court declared the agreement null and void and the land reverted back to council.
Johan Ferdinard Barnard as one of the purchasers which developed in the area are claiming R2 600 000 as unjust enrichment. The matter is at pleading stage and the parties are currently negotiating settlement. Legal costs are estimated at R300 000

4. EDWARD JAMES DANIEL DE VILLIERS
The municipality sold stands in Extension 50 for R1 per square meter around 2005. Then Council realised that there were some procedural flaws when the stands were sold and decided not to proceed with the sale. One of the purchasers Nightfire Investments challenged the council decision and took council to court. The court declared the agreement null and void and the land reverted back to council.
Edward James Daniel De Villiers as one of the purchasers which developed in the area are claiming R2 774 200 and R19 808 774 as unjust enrichment. The matter is at pleading stage and the parties are currently negotiating settlement. Legal costs are estimated at R303 000.

5. CHRISTAAN LOURENS ERASMUS
The municipality sold stands in Extension 50 for R1 per square meter around 2005. Then Council realised that there were some procedural flaws when the stands were sold and decided not to proceed with the sale. One of the purchasers Nightfire Investments challenged the council decision and took council to court. The court declared the agreement null and void and the land reverted back to council.
Christiaan Lourens Erasmus as one of the purchasers which developed in the area are claiming R8 899 716 as unjust enrichment. The matter is at pleading stage and the parties are currently negitiating settlement. Legal costs are estimated at R300 000.

Contingent Assets

1. LEPHALALE VS BLUE HORIZON INVESTMENT
Details of the case: Around 2008 the municipality entered into a service level agreement with Blue Horizon Investments whereby the Municipality undertook to provide bulk services to extension 97 whereby Blue Horizon was the owner/developer of the said extension. In exchange for the services, Blue Horizon was to contribute about R9 800 000 towards bulk services, which to date they have failed to pay. Despite the demand by the municipality, Blue Horizon Investments has failed/refused to pay. Council appointed an attorney to claim the money on its behalf. The matter is at pleading stage and the parties are currently negotiating settlement. Legal costs are estimated at R1 000 000.

Figures in Rand	2017	2016

44. Related parties

Relationships

Accounting Officer	Refer to accounting officer's report note
Ultimate controlling entity	Waterberg Dstrict Municipality
Members of key management	Section 56 Managers, refer to salaries note

Councillors Remuneration	**SALARY**	**CELLPHONE**	**TRAVELLIN G**	**TRAVELLIN G SUB**	**TOTAL PAID**
Clr. MJ Maeko - Mayor	584 945	28 717	194 982	-	808 645
Clr. KR Molokomme - Speaker	465 527	27 572	155 176	8 614	656 890
Clr. WM Motlokwa - Exec Member	418 375	20 907	139 459	83 993	662 733
Clr. SJ Thulare - Chief Whip	411 384	20 953	137 128	37 272	606 737
Clr. ML Shongwe - Exec Member	237 609	20 953	79 203	36 129	373 895
Clr. AE Basson- Exec Member	244 600	20 907	81 534	2 494	349 535
Clr. MM Semenya - Exec Member	218 341	18 764	72 781	33 010	342 896
Clr.MJ Marakalala - Chairperson MPAC	237 613	22 800	79 204	40 633	380 250
Clr. NJ Motebele - Chairperson EC	210 091	22 800	70 030	10 984	313 905
Clr. LF Monare - Chairperson SETC	179 182	20 467	59 727	24 820	284 196
Clr. LS Manamela	185 139	22 800	61 713	-	269 651
Clr. P Molekwa	185 139	22 800	61 713	41 952	311 604
Clr. ME Maisela	185 139	22 800	61 713	46 408	316 059
Clr. MJ Selokela	185 139	22 800	61 713	14 071	283 722
Clr. SM Niewoudt	185 139	22 800	61 713	-	269 651
Clr. RT Modise	166 074	20 467	55 358	44 914	286 813
Clr. R Maropeng	166 074	20 467	55 358	1 956	243 855
Clr. NH Pienaar	166 074	20 467	55 358	-	241 899
Clr. SL Seabi	166 074	20 467	55 358	25 268	267 167
Clr. Mogohloana	166 074	20 467	55 358	15 384	257 283
Clr. MM Makgae	166 074	20 467	55 358	-	241 899
Clr. MF Masita	166 074	20 467	55 358	14 792	256 692
Clr. MR Modiba	166 074	20 467	55 358	31 120	273 019
Clr. RM Mabasa	166 074	20 467	55 358	17 407	259 307
Clr. MM Madibana	166 074	20 467	55 358	17 486	259 385
Clr. SJ Moselane	166 074	20 467	55 358	2 340	244 239
Clr. MJ Mojela - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. RM Moatshe - Former Councillors	47 519	2 240	15 840	8 225	73 823
Clr. JA Mogoasa - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. SJ Pelotona - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. MC Matshaba - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. GB Koadi - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. IF Magwai - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. ME Dinale - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. MR Boloka - Former Councillors	50 687	2 240	16 896	-	69 822
Clr. MP Ngwako - Former Councillors	19 098	2 240	6 366	-	27 703
Clr. SJ Monyemoratho - Former Councillors	19 098	2 240	6 366	-	27 703
Subtotal	6 230 264	588 617	2 076 757	559 272	9 454 899
	6 230 264	**588 617**	**2 076 757**	**559 272**	**9 454 899**

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties		
Waterberg District Municipality	685 380	1 472 715

Related party transactions

Services to related parties		
Waterberg District Municipality	3 034 935	3 599 134

45. Prior period errors

Property, plant and equipment were depreciated at the tax rates. The useful lives and residual values were not appropriately considered. (Give the nature of the error.)

The correction of the error(s) results in adjustments as follows:

46. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

47. Unauthorised expenditure

Opening Balance	49 266 162	-
Current year	1	49 266 162
	49 266 163	**49 266 162**

48. Fruitless and wasteful expenditure

Opening Balance	-	1 195 468
Current Year	-	39 861
Recovered in the current year	-	(410 730)
	-	**824 599**

The Municipality appointed MJ Moraka trading and projects for the supply and delivery of water meters. Around February 2009 one of the employees of the Municipality signed a session to DPI Plastics Pty Ltd for the payment of R515 000.00 on behalf of MJ Moraka Trading and Projects although the employee did not have the necessary delegated powers. The session was never taken into account when MJ Moraka was paid for the services rendered and MJ Moraka was paid the full amount. In December 2011 DPI Plastic summoned municipality claiming the amount of R167 066.72. Council settled the amount based on the fradulent session signed by the employee and disciplinary action has been instituted against the employee and finalised.

The bookings for the flight and accomodation was done through travel counsellors. The cancelation was done late and which resulted in municipality being liable to pay the full invoice amount.

49. Irregular expenditure

Opening balance	138 682 950	109 999 262
Add: Irregular Expenditure - current year	13 690 012	28 683 688
	152 372 962	**138 682 950**

50. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	1 655 040	1 559 150
Amount paid - current year	(1 655 040)	(1 559 150)
	-	**-**

Audit fees

Current year subscription / fee	2 672 774	3 298 440
Amount paid - current year	(2 672 774)	(3 298 440)
	-	**-**

Figures in Rand	2017	2016

50. Additional disclosure in terms of Municipal Finance Management Act (continued)

PAYE and UIF

Current year subscription / fee	24 166 146	22 537 618
Amount paid - current year	(24 166 146)	(22 537 618)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	41 187 760	37 553 784
Amount paid - current year	(41 187 760)	(37 553 784)
	-	-

VAT

VAT payable	7 766 424	3 021 366

VAT output payables and VAT input receivables are shown in note 20.

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

No councillors had arrear accounts outstanding for more than 30 days at 30 June 2017

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident		
Deviations	818 729	15 793 335

51. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	3 476 737	3 900 544

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

52. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the financial statements. The accounting officer has approved the deviations amounting to R 818 729

53. Distribution Losses

Water losses - TheMunicipality's water losses for 2017 and 2016 are 18.72% and 12.78% respectively. The losses are due to illegal connections in Marapong Township and the asbestos pipe in the network which breaks. The Municipality is in the process of replacing asbestos pipes and addressing the illegal connections in Marapong.

Notes to the Financial Statements

Figures in Rand	2017	2016

53. Distribution Losses (continued)

Water Losses		
Units Purchased (kl)	6 939 821	6 363 128
Units Sold (kl)	5 390 080	5 441 132
Average Cost Per Unit Purchased (cents per kl)	1.72	1.54
Net loss	1 318 213	1 417 873
% Loss of Water	18.72%	12.78%

Electricity losses - The Municipality's electricity losses for 2017 and 2016 are % and 21% respectively. The Municipality has installed electricity smart meters in order to reduce losses.

Electricity losses		
Units Purchased (kw/h)	132 522 900	131 403 445
Units Sold (kw/h)	120 595 618	116 708 959
Average Cost Per Unit Purchased (cents per kw/h)	R0.94	R0.98
Net loss	11 927 282	14 400 596
% Loss of Electricity	6.3%	11.18%

54. Budget differences

Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 15% (25% over approved budget) for the Health function was due to expenditures above the level approved by legislative action in response to the earthquake. There were no other material differences between the final budget and the actual amounts.

Lephalale Local Municipality
Appendix A

Schedule of external loans as at 30 June 2017

	Loan Number	Redeemable	Balance at 30 June 2016 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2017 Rand	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
DBSA								
DBSA	1	30/06/2024	3 900 544	-	423 808	3 476 736	-	-
			3 900 544	**-**	**423 808**	**3 476 736**	**-**	**-**
Lease Liabilities								
Finance lease liabilities	1	30/06/2024	95 335 404	-	13 436 891	81 898 513	-	-
			95 335 404	**-**	**13 436 891**	**81 898 513**	**-**	**-**
Funding facility			**-**	**-**	**-**	**-**	**-**	**-**
Development Bank of South Africa			**-**	**-**	**-**	**-**	**-**	**-**
Bonds			**-**	**-**	**-**	**-**	**-**	**-**
Other loans			**-**	**-**	**-**	**-**	**-**	**-**
Lease liability			**-**	**-**	**-**	**-**	**-**	**-**
Annuity loans			**-**	**-**	**-**	**-**	**-**	**-**
Government loans			**-**	**-**	**-**	**-**	**-**	**-**
Total external loans								
DBSA			3 900 544	-	423 808	3 476 736	-	-
Lease Liabilities			95 335 404	-	13 436 891	81 898 513	-	-
Funding facility			-	-	-	-	-	-
Development Bank of South Africa			-	-	-	-	-	-
Bonds			-	-	-	-	-	-
Other loans			-	-	-	-	-	-
Lease liability			-	-	-	-	-	-
Annuity loans			-	-	-	-	-	-
Government loans			-	-	-	-	-	-

Lephalale Local Municipality
Appendix A

Schedule of external loans as at 30 June 2017

Loan Number	Redeemable	Balance at 30 June 2016 Rand	Received during the period Rand	Redeemed written off during the period Rand	Balance at 30 June 2017 Rand	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		99 235 948	**-**	**13 860 699**	**85 375 249**	**-**	**-**

Lephalale Local Municipality
Lephalale Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2017

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	69 572 003	1 101 155	-	-	-	-	**70 673 158**	-	-	-	-	-	**-**	70 673 158
Landfill Sites (Separate for AFS pursoses)	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Buildings (Office Biuldings Separate for AFS purposes)	25 271 508	-	-	-	-	-	**25 271 508**	(12 687 434)	-	-	(701 229)	-	**(13 388 663)**	11 882 845
	94 843 511	**1 101 155**	**-**	**-**	**-**	**-**	**95 944 666**	**(12 687 434)**	**-**	**-**	**(701 229)**	**-**	**(13 388 663)**	**82 556 003**
Infrastructure														
Roads	555 393 568	18 296 219	-	-	-	-	**573 689 787**	(162 548 784)	-	-	(26 948 026)	-	**(189 496 810)**	384 192 977
Storm water	27 971 884	2 147 955	-	-	-	-	**30 119 839**	(3 706 569)	-	-	(611 982)	-	**(4 318 551)**	25 801 288
Generation	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Transmission & Reticulation	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Street lighting	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Dams & Reservoirs	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Water	708 631 543	-	-	-	-	-	**708 631 543**	(165 180 325)	-	-	(25 089 070)	(67 908)	**(190 337 303)**	518 294 240
Reticulation	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Electricity Reticulation	195 733 830	488 968	-	-	-	-	**196 222 798**	(79 836 186)	-	-	(8 063 035)	-	**(87 899 221)**	108 323 577
Sewerage	130 230 809	8 146 517	-	-	-	-	**138 377 326**	(44 734 423)	-	-	(5 730 802)	(25 845)	**(50 491 070)**	87 886 256
Transportation	13 707 197	249 252	-	-	-	-	**13 956 449**	(2 522 490)	-	-	(921 790)	(156)	**(3 444 436)**	10 512 013
Fancing	91 581	-	-	-	-	-	**91 581**	(81 895)	-	-	(1 094)	-	**(82 989)**	8 592
Waste Management	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Other Buildings (Non admin Buildings)	1 039 843	-	-	-	-	-	**1 039 843**	(491 217)	-	-	(22 059)	-	**(513 276)**	526 567
Other (fibre optic, WIFI infrastructur)	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
Other 1	-	-	-	-	-	-	**-**	-	-	-	-	-	**-**	-
	1 632 800 255	**29 328 911**	**-**	**-**	**-**	**-**	**1 662 129 166**	**(459 101 889)**	**-**	**-**	**(67 387 858)**	**(93 909)**	**(526 583 656)**	**1 135 545 510**
Community Assets														
Parks & gardens	4 088 340	-	-	-	-	-	**4 088 340**	(762 537)	-	-	(160 715)	-	**(923 252)**	3 165 088
Sportsfields and stadium	14 501 098	-	-	-	-	-	**14 501 098**	(2 069 817)	-	-	(495 362)	-	**(2 565 179)**	11 935 919
Electricity	794 345	-	-	-	-	-	**794 345**	(37 817)	-	-	(31 731)	-	**(69 548)**	724 797
Water	4 368	-	-	-	-	-	**4 368**	(564)	-	-	(146)	-	**(710)**	3 658
Libraries	10 385 451	-	-	-	-	-	**10 385 451**	(3 232 523)	-	-	(332 921)	-	**(3 565 444)**	6 820 007
Fittings	25 935	-	-	-	-	-	**25 935**	(2 947)	-	-	(3 751)	-	**(6 698)**	19 237
Clinics	2 051 129	-	-	-	-	-	**2 051 129**	(1 563 454)	-	-	(35 956)	-	**(1 599 410)**	451 719
Land and Buildings	913 441	-	-	-	-	-	**913 441**	-	-	-	(36 538)	-	**(36 538)**	876 903
Other Buildings	147 328	-	-	-	-	-	**147 328**	(18 695)	-	-	(5 368)	-	**(24 063)**	123 265
Sanitation	8 882	-	-	-	-	-	**8 882**	(265)	-	-	(222)	-	**(487)**	8 395
Cemeteries	189 630	-	-	-	-	-	**189 630**	(109 541)	-	-	(6 125)	-	**(115 666)**	73 964
Community Assets	26 406 211	1 071 893	-	-	-	-	**27 478 104**	(4 213 669)	-	-	(986 331)	-	**(5 200 000)**	22 278 104
Community Centers	-	749 022	-	-	-	-	**749 022**	-	-	-	(7 141)	-	**(7 141)**	741 881
Taxi Rank	760 472	-	-	-	-	-	**760 472**	(461 667)	-	-	(13 903)	-	**(475 570)**	284 902
Public Landfill Site	466 646	4 698 706	-	-	-	-	**5 165 352**	(149 633)	-	-	(95 005)	-	**(244 638)**	4 920 714
	60 743 276	**6 519 621**	**-**	**-**	**-**	**-**	**67 262 897**	**(12 623 129)**	**-**	**-**	**(2 211 215)**	**-**	**(14 834 344)**	**52 428 553**

Lephalale Local Municipality
Lephalale Local Municipality
Appendix B

Analysis of property, plant and equipment as at 30 June 2017

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Buildings	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other	77 000	-	-	-	-	**-**	**77 000**	-	-	-	-	-	**-**	77 000
	77 000	**-**	**-**	**-**	**-**	**-**	**77 000**	**-**	**-**	**-**	**-**	**-**	**-**	**77 000**
Specialised vehicles														
Refuse	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Fire	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Conservancy	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Ambulances	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Buses	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other assets														
Motor vehicles	38 061 537	277 000	-	-	-	**-**	**38 338 537**	(17 395 875)	-	-	(3 028 327)	-	**(20 424 202)**	17 914 335
Plant & equipment	16 795 527	307 910	-	-	-	**-**	**17 103 437**	(9 142 855)	-	-	(1 132 771)	-	**(10 275 626)**	6 827 811
Computer Equipment	5 804 249	19 837	-	-	-	**-**	**5 824 086**	(2 421 657)	-	-	(648 540)	-	**(3 070 197)**	2 753 889
Computer Software (part of computer equipment)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Furniture & Fittings	8 033 995	-	-	-	-	**-**	**8 033 995**	(4 080 392)	-	-	(700 113)	(8 780)	**(4 789 285)**	3 244 710
Office Equipment	3 760 782	-	-	-	-	**-**	**3 760 782**	(2 150 914)	-	-	(310 367)	-	**(2 461 281)**	1 299 501
Office Equipment - Leased	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Abattoirs	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Markets	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Airports	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Security measures	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Civic land and buildings	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other buildings	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other land	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Bins and Containers	3 588 349	-	-	-	-	**-**	**3 588 349**	(751 720)	-	-	(267 390)	-	**(1 019 110)**	2 569 239
Work in progress	80 939 986	93 881 182	-	(33 389 426)	-	**-**	**141 431 742**	-	-	-	-	-	**-**	141 431 742
Books	2 218 845	54 745	-	-	-	**-**	**2 273 590**	(1 608 813)	-	-	(142 100)	-	**(1 750 913)**	522 677
Other Assets - Leased (Smart Meters)	23 457 247	261 978	-	-	-	**-**	**23 719 225**	(1 886 599)	-	-	(944 572)	-	**(2 831 171)**	20 888 054
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Housing development	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	182 660 517	**94 802 652**	**-**	**(33 389 426)**	**-**	**-**	**244 073 743**	**(39 438 825)**	**-**	**-**	**(7 174 180)**	**(8 780)**	**(46 621 785)**	**197 451 958**

Lephalale Local Municipality
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Appendix B

Analysis of property, plant and equipment as at 30 June 2017

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	94 843 511	1 101 155	-	-	-	**-**	**95 944 666**	(12 687 434)	-	-	(701 229)	-	**(13 388 663)**	82 556 003
Infrastructure	1 632 800 255	29 328 911	-	-	-	**-**	**1 662 129 166**	(459 101 889)	-	-	(67 387 858)	(93 909)	**(526 583 656)**	1 135 545 510
Community Assets	60 743 276	6 519 621	-	-	-	**-**	**67 262 897**	(12 623 129)	-	-	(2 211 215)	-	**(14 834 344)**	52 428 553
Heritage assets	77 000	-	-	-	-	**-**	**77 000**	-	-	-	-	-	**-**	77 000
Specialised vehicles	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other assets	182 660 517	94 802 652	-	(33 389 426)	-	**-**	**244 073 743**	(39 438 825)	-	-	(7 174 180)	(8 780)	**(46 621 785)**	197 451 958
	1 971 124 559	**131 752 339**	**-**	**(33 389 426)**	**-**	**-**	**2 069 487 472**	**(523 851 277)**	**-**	**-**	**(77 474 482)**	**(102 689)**	**(601 428 448)**	**1 468 059 024**
Agricultural/Biological assets														
Agricultural	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Biological assets	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible assets														
Computers - software & programming	1 025 018	-	-	-	-	**-**	**1 025 018**	(404 317)	-	-	(124 029)	-	**(528 346)**	496 672
Other	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	1 025 018	**-**	**-**	**-**	**-**	**-**	**1 025 018**	**(404 317)**	**-**	**-**	**(124 029)**	**-**	**(528 346)**	**496 672**
Investment properties														
Investment property	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total														
Land and buildings	94 843 511	1 101 155	-	-	-	**-**	**95 944 666**	(12 687 434)	-	-	(701 229)	-	**(13 388 663)**	82 556 003
Infrastructure	1 632 800 255	29 328 911	-	-	-	**-**	**1 662 129 166**	(459 101 889)	-	-	(67 387 858)	(93 909)	**(526 583 656)**	1 135 545 510
Community Assets	60 743 276	6 519 621	-	-	-	**-**	**67 262 897**	(12 623 129)	-	-	(2 211 215)	-	**(14 834 344)**	52 428 553
Heritage assets	77 000	-	-	-	-	**-**	**77 000**	-	-	-	-	-	**-**	77 000
Specialised vehicles	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other assets	182 660 517	94 802 652	-	(33 389 426)	-	**-**	**244 073 743**	(39 438 825)	-	-	(7 174 180)	(8 780)	**(46 621 785)**	197 451 958
Agricultural/Biological assets	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Intangible assets	1 025 018	-	-	-	-	**-**	**1 025 018**	(404 317)	-	-	(124 029)	-	**(528 346)**	496 672
Investment properties	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	1 972 149 577	**131 752 339**	**-**	**(33 389 426)**	**-**	**-**	**2 070 512 490**	**(524 255 594)**	**-**	**-**	**(77 598 511)**	**(102 689)**	**(601 956 794)**	**1 468 555 696**

Lephalale Local Municipality

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Appendix B

Analysis of property, plant and equipment as at 30 June 2016

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	69 572 003	-	-	-	-	**-**	**69 572 003**	-	-	-	-	-	**-**	69 572 003
Landfill Sites (Separate for AFS pursoses)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Buildings (Office Building Separate for AFS purposes)	25 713 177	-	(441 669)	-	-	**-**	**25 271 508**	(12 168 289)	441 669	-	(887 382)	(73 432)	**(12 687 434)**	12 584 074
	95 285 180	**-**	**(441 669)**	**-**	**-**	**-**	**94 843 511**	**(12 168 289)**	**441 669**	**-**	**(887 382)**	**(73 432)**	**(12 687 434)**	**82 156 077**
Infrastructure														
Roads	536 091 473	-	-	19 302 095	-	**-**	**555 393 568**	(137 797 669)	-	-	(27 966 397)	3 215 282	**(162 548 784)**	392 844 784
Storm water	27 971 884	-	-	-	-	**-**	**27 971 884**	(3 116 229)	-	-	(590 340)	-	**(3 706 569)**	24 265 315
Generation	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Transmission & Reticulation	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Street lighting	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Dams & Reservoirs	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Water	692 004 612	1 889 562	-	14 737 369	-	**-**	**708 631 543**	(139 283 737)	-	-	(25 744 627)	(151 961)	**(165 180 325)**	543 451 218
Reticulation	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Electricity Reticulation	192 432 660	3 229 889	-	71 281	-	**-**	**195 733 830**	(63 272 413)	-	-	(7 757 077)	(8 806 696)	**(79 836 186)**	115 897 644
Sewerage	130 230 809	-	-	-	-	**-**	**130 230 809**	(37 762 063)	-	-	(6 972 360)	-	**(44 734 423)**	85 496 386
Transportation	13 707 197	-	-	-	-	**-**	**13 707 197**	(1 606 173)	-	-	(916 317)	-	**(2 522 490)**	11 184 707
Fancing	91 581	-	-	-	-	**-**	**91 581**	(77 926)	-	-	(3 969)	-	**(81 895)**	9 686
Waste Management	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other Buildings (Non admin Buildings)	1 039 843	-	-	-	-	**-**	**1 039 843**	(456 460)	-	-	(34 756)	-	**(491 216)**	548 627
Other (fibre optic, WIFI infrastructur)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other (Land and Buildings)	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	1 593 570 059	**5 119 451**	**-**	**34 110 745**	**-**	**-**	**1 632 800 255**	**(383 372 670)**	**-**	**-**	**(69 985 843)**	**(5 743 375)**	**(459 101 888)**	**1 173 698 367**
Community Assets														
Parks & gardens	4 088 340	-	-	-	-	**-**	**4 088 340**	(642 031)	-	-	(120 506)	-	**(762 537)**	3 325 803
Sportsfields and stadium	14 501 098	-	-	-	-	**-**	**14 501 098**	(1 545 135)	-	-	(524 682)	-	**(2 069 817)**	12 431 281
Electricity	794 345	-	-	-	-	**-**	**794 345**	(5 999)	-	-	(31 818)	-	**(37 817)**	756 528
Water	4 368	-	-	-	-	**-**	**4 368**	(345)	-	-	(219)	-	**(564)**	3 804
Libraries	10 385 451	-	-	-	-	**-**	**10 385 451**	(2 862 372)	-	-	(350 509)	(19 642)	**(3 232 523)**	7 152 928
Fittings	25 935	-	-	-	-	**-**	**25 935**	(1 213)	-	-	(1 734)	-	**(2 947)**	22 988
Clinics	2 051 129	-	-	-	-	**-**	**2 051 129**	(1 487 530)	-	-	(75 924)	-	**(1 563 454)**	487 675
Land and Buildings	913 441	-	-	-	-	**-**	**913 441**	-	-	-	-	-	**-**	913 441
Other Buildings	147 328	-	-	-	-	**-**	**147 328**	(11 442)	-	-	(7 253)	-	**(18 695)**	128 633
Sanitation	8 882	-	-	-	-	**-**	**8 882**	(42)	-	-	(223)	-	**(265)**	8 617
Cemeteries	189 630	-	-	-	-	**-**	**189 630**	(102 355)	-	-	(7 186)	-	**(109 541)**	80 089
Community Assets	23 141 792	132 150	-	3 132 269	-	**-**	**26 406 211**	(3 065 993)	-	-	(1 174 676)	-	**(4 240 669)**	22 165 542
Community Centres	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Taxi Rank	760 472	-	-	-	-	**-**	**760 472**	(435 831)	-	-	(25 836)	-	**(461 667)**	298 805
Publi Landfill site	466 646	-	-	-	-	**-**	**466 646**	(133 349)	-	-	(16 284)	-	**(149 633)**	317 013
	57 478 857	**132 150**	**-**	**3 132 269**	**-**	**-**	**60 743 276**	**(10 293 637)**	**-**	**-**	**(2 336 850)**	**(19 642)**	**(12 650 129)**	**48 093 147**

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Appendix B

Analysis of property, plant and equipment as at 30 June 2016

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	77 000	-	-	-	-	-	**77 000**	-	-	-	-	-	-	77 000
	77 000	**-**	**-**	**-**	**-**	**-**	**77 000**	**-**	**-**	**-**	**-**	**-**	**-**	**77 000**
Specialised vehicles														
Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other assets														
Motor vehicles	38 089 985	-	(28 448)	-	-	-	**38 061 537**	(14 810 506)	28 448	-	(2 740 646)	(3 204)	**(17 525 908)**	20 535 629
Plant & equipment	16 324 731	485 143	(14 347)	-	-	-	**16 795 527**	(7 759 236)	14 347	-	(1 394 933)	(3 032)	**(9 142 854)**	7 652 673
Computer Equipment	4 883 759	966 650	(46 160)	-	-	-	**5 804 249**	(2 033 050)	46 160	-	(431 178)	(3 589)	**(2 421 657)**	3 382 592
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	7 833 149	244 238	(43 392)	-	-	-	**8 033 995**	(3 328 970)	43 392	-	(777 498)	(17 316)	**(4 080 392)**	3 953 603
Office Equipment	3 817 662	12 619	(69 499)	-	-	-	**3 760 782**	(1 944 530)	69 499	-	(289 219)	13 336	**(2 150 914)**	1 609 868
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	3 588 349	-	-	-	-	-	**3 588 349**	(511 841)	-	-	(239 879)	-	**(751 720)**	2 836 629
Work in progress	48 980 421	73 608 150	-	(41 648 585)	-	-	**80 939 986**	-	-	-	-	-	-	80 939 986
Books	2 104 592	114 253	-	-	-	-	**2 218 845**	(1 184 375)	-	-	(424 437)	-	**(1 608 812)**	610 033
Other Assets - Leased (Smart Meters)	21 569 813	1 887 435	-	-	-	-	**23 457 248**	(964 706)	-	-	(921 894)	-	**(1 886 600)**	21 570 648
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	147 192 461	**77 318 488**	**(201 846)**	**(41 648 585)**	**-**	**-**	**182 660 518**	**(32 537 214)**	**201 846**	**-**	**(7 219 684)**	**(13 805)**	**(39 568 857)**	**143 091 661**

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Appendix B

Analysis of property, plant and equipment as at 30 June 2016

	Cost/Revaluation							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	95 285 180	-	(441 669)	-	-	**-**	**94 843 511**	(12 168 289)	441 669	-	(887 382)	(73 432)	**(12 687 434)**	82 156 077
Infrastructure	1 593 570 059	5 119 451	-	34 110 745	-	**-**	**1 632 800 255**	(383 372 670)	-	-	(69 985 843)	(5 743 375)	**(459 101 888)**	1 173 698 367
Community Assets	57 478 857	132 150	-	3 132 269	-	**-**	**60 743 276**	(10 293 637)	-	-	(2 336 850)	(19 642)	**(12 650 129)**	48 093 147
Heritage assets	77 000	-	-	-	-	**-**	**77 000**	-	-	-	-	-	**-**	77 000
Specialised vehicles	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other assets	147 192 461	77 318 488	(201 846)	(41 648 585)	-	**-**	**182 660 518**	(32 537 214)	201 846	-	(7 219 684)	(13 805)	**(39 568 857)**	143 091 661
	1 893 603 557	**82 570 089**	**(643 515)**	**(4 405 571)**	**-**	**-**	**1 971 124 560**	**(438 371 810)**	**643 515**	**-**	**(80 429 759)**	**(5 850 254)**	**(524 008 308)**	**1 447 116 252**
Agricultural/Biological assets														
Agricultural	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Biological assets	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible assets														
Computers - software & programming	744 518	280 500	-	-	-	**-**	**1 025 018**	(256 298)	-	-	(148 020)	-	**(404 318)**	620 700
Other	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	744 518	**280 500**	**-**	**-**	**-**	**-**	**1 025 018**	**(256 298)**	**-**	**-**	**(148 020)**	**-**	**(404 318)**	**620 700**
Investment properties														
Investment property	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total														
Land and buildings	95 285 180	-	(441 669)	-	-	**-**	**94 843 511**	(12 168 289)	441 669	-	(887 382)	(73 432)	**(12 687 434)**	82 156 077
Infrastructure	1 593 570 059	5 119 451	-	34 110 745	-	**-**	**1 632 800 255**	(383 372 670)	-	-	(69 985 843)	(5 743 375)	**(459 101 888)**	1 173 698 367
Community Assets	57 478 857	132 150	-	3 132 269	-	**-**	**60 743 276**	(10 293 637)	-	-	(2 336 850)	(19 642)	**(12 650 129)**	48 093 147
Heritage assets	77 000	-	-	-	-	**-**	**77 000**	-	-	-	-	-	**-**	77 000
Specialised vehicles	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Other assets	147 192 461	77 318 488	(201 846)	(41 648 585)	-	**-**	**182 660 518**	(32 537 214)	201 846	-	(7 219 684)	(13 805)	**(39 568 857)**	143 091 661
Agricultural/Biological assets	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
Intangible assets	744 518	280 500	-	-	-	**-**	**1 025 018**	(256 298)	-	-	(148 020)	-	**(404 318)**	620 700
Investment properties	-	-	-	-	-	**-**	**-**	-	-	-	-	-	**-**	-
	1 894 348 075	**82 850 589**	**(643 515)**	**(4 405 571)**	**-**	**-**	**1 972 149 578**	**(438 628 108)**	**643 515**	**-**	**(80 577 779)**	**(5 850 254)**	**(524 412 626)**	**1 447 736 952**